Participants can send questions at slido.com with #2023Industry
Industry Day - Agenda

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Opening Remarks & Overview of OBO

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Design & Construction
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Diplomatic Security & Security Management

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05 Q&A SESSION
Introductions

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Contracting Officer
Facilities, Design & Construction Branch Chief
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Introduction

Opening Remarks & Overview of OBO
U.S. Diplomatic facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.
Overseas Buildings Operations

OBO manages the U.S. Department of State's building program and sets worldwide priorities for the planning, acquisition, design, construction, operation, maintenance, and disposal of overseas property.
Mission and Vision

Mission
To provide safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support the Department's achievement of U.S. foreign policy objectives abroad.

Vision
These facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.
287 Locations
25,098 Domestic & Overseas Assets
9,387 Government-owned
15,711 Leased
16,562 Residences
915 Office Buildings
$75.2B Portfolio Replacement Value
84M SF Gross Square Feet of Space
18,300 Culturally Significant Objects & Artworks
Typologies

- Embassies
- Consulates
- Office and Support Annexes
- Housing (Representational & Staff)
- Warehouses and Shops
- Cultural Heritage Properties
Unique Program

Program
- 2,000–125,000 GSM
- Building Sizes
- 0–120 Consular Windows
- 20–1,350 Desks
- 0–40+ Tenants

Sites
- 1–100+ acres Acreage
- Varied Terrains / Grades
- ~40 to 140 degrees
- Desert to Tropical

Security
- 0–26 Guard Towers
- Tactical Operations Center
- Helicopter Landing Zones
- Security Annexes
Secure Embassy Construction and Counterterrorism Act \textit{SECCA}

Public Law 106-113: Authorizes appropriations to State for construction and security of U.S. diplomatic facilities and for other purposes.

Capital Security Cost Sharing Program \textit{CSCS}

Under SECCA, CSCS authorizes State to divide costs among all agencies with overseas personnel under chief of mission authority. Additional funding to accelerate the construction of new secure, safe, functional, and resilient facilities.

Maintenance Cost Sharing Program \textit{MCS}

Funds the maintenance and repair of overseas facilities.
OBO Fiscal Year Budgets

- $3.6 billion FY 2021
- $3.5 billion FY 2022
- $3.4 billion FY 2023
287 OBO Diplomatic Locations
Global Diplomatic Construction Program

601 Project Activities
$34 Billion Value

$100M monthly active construction

- Capital Security Construction
  50+ / $20B Workload

- Major Renovation
  40+ / $850M Workload

- Compound Security Upgrade
  24+ / $400M Workload

- Minor Construction & Improvements
  320+ / $110M Workload

- Real Property Leasing
  15,700+ Leases
OBO LEED Projects

U.S. Green Building Council
LEED® Rating System

- 62 LEED Certifications since 1999
- 30+ projects are registered
- First LEED Certified projects in at least 17 countries
Program Challenges & Drivers

DESIGN, CONSTRUCTION, COST, & SECURITY
Current Project Delivery Methods

Context, complexity, construction environment, and urgency are evaluated in deciding a delivery method:

- Design-Build with Bridging Documents
- Design-Bid-Build
- Design-Build
- Construction Manager as Constructor (CMc)
Global Drivers

- POPULATION
- URBANIZATION
- RESOURCES
- CLIMATE
- TECHNOLOGY
2020 Displacements

40.5m Total Displacements
9.8m | 30.7m

30.3% of World Total
East Asia & Pacific
0.186m | 12.063m

27.4% of World Total
East Asia & Pacific
6.788m | 4.299m

11.8% of World Total
The Americas
0.238m | 4.528m

5.9% of World Total
Middle East & North Africa
2.076m | 0.341m

0.8% of World Total
Europe & Central Asia
0.085m | 0.234m
Tackling Climate Crises at Home and Abroad (E.O. 14008) & COP26

Executive Order 14008

Part I
The climate crises at the center of U.S. foreign policy & national security

Part II
A government-wide approach to the climate crises
- Use of the federal government’s buying power and real property & asset management
- Empowering workers through rebuilding our infrastructure for a sustainable economy
- Empowering workers by advancing conservation, agriculture, & reforestation
- Empowering workers by revitalizing energy communities
- Securing environmental justice & spurring economic opportunity

U.N. Climate Change Conference
- Secure global net zero by mid-century and keep 1.5 degrees within reach
- Adapt to protect communities and natural habitats
- Mobilize finance
- Work together to deliver
Tackling Climate Crises at Home and Abroad (E.O. 14008 & 14057)

OBO’S FOCUS
- Include priorities in budget submissions
- Achieve 100 percent carbon-pollution-free electricity by 2035
- Achieve 100 percent zero-emission vehicles by 2035
- Net-zero facilities by 2045
- Climate resilient programs & operations
- Net-zero procurement & supply chains

OBO’S PRIORITIES
- Protect the safety & health of personnel
- Adapt department facilities, operations, & mission-critical services to be more resilient to the climate change impacts
- Lead by example through showcasing climate adaptation & resilient solutions
Climate Security & Resilience (CS&R)

PARTNERSHIPS

NOAA
NASA
USGS
DoD
Industry
Academia

Extreme Heat

Coast & Riverine Flooding Risk

Extreme Wind

Water Stress
Construction

Program Challenges & Drivers
Funding Challenges and Competing Priorities

COVID

Construction Inflation
- $704 million lost purchasing power since 2014
- Reduced impact with dramatic price increases
  - Diesel Fuel: 237 percent
  - Steel: 113 percent
  - Lumber and Plywood: 100 percent
  - Copper and Brass: 70 percent

Supply Chain Disruption
Additional costs and schedule impacts
  - Elevator parts, floor tiles, appliances, construction plastics, computer chips

Worldwide Labor Shortages

OBO Budget vs ENR’s Construction Cost Index

- 2017: $2.25
- 2018: $2.30
- 2019: $2.35
- 2020: $2.40
- 2021: $2.45
- 2022: $2.50
- 2023: $2.55

+10% in 2020, +10% in 2021, +9% in 2022

DEPARTMENT OF STATE OVERSEAS BUILDINGS OPERATIONS
Construction Management Initiatives

Partnering
Lean Construction
Risk Management

The Collaborative Partnering Process

START UP
KICK OFF
Project Charter
Communication Protocols
Align Goals and Values

CONSTRUCTION
FOLLOW-UPS
Identify & Resolve Issues
Monitor Progress
MONTHLY SURVEYS
Track Goals
Analyze Trends

COMPLETION
CLOSEOUT
Establish Lessons Learned

FOR EVERY $1 INVESTED IN THE PARTNERING PROCESS, PROJECTS SEE $114 IN SAVINGS.
Contractor Challenges

Logistics
Getting labor and materials to sites
Finding qualified, cleared workers
Foreign government interactions
Permits, customs, taxes

Successful OBO Contractors...
Strongly understand the Department’s construction security requirements
Look ahead with procurement and logistics management
Focus on—and fully implement—project schedules
Provide high quality, cleared-American supervision and labor
Take commissioning seriously

OBO Contractors Struggle When They...
Have a joint venture that doesn’t work
Split procurement
Don’t read security specifications carefully
Don’t take job-site safety and health seriously
Focus on claims versus on production
Cost Risks, Inflation & EPA

Program Challenges & Drivers
Market Conditions: Inflation

Accounting for current market conditions
Use of an Economic Price Adjustment (EPA) clause (FAR 16.203.1)

- Inflationary EPA Cycle for Design-Build
  - Six months after limited notice to proceed (LNTP) for Design
  - Then 12 months, 18 months, and 24 months for a maximum of four adjustments

- For longer duration projects
  - Use 24 months then 48 months beyond the inflationary period
Indices

- ENR Building Cost Index for both U.S. and local markets or an accepted index as proposed by the contractor
- Accommodates risk of adjusting for local markets with no reputable indices
- Indices are applied to material, shipping, and installed equipment.
- EPA is not applied to labor, mark-ups, or profit.
EPA-Eligible Projects

Inflationary EPA used all projects with at least a 24-month performance period.

EPA is used beyond the inflationary period for projects with performance periods of more than five years.
Security Clearances
Program Challenges & Drivers
Facility Security Clearance (FCL)

- The basis for a firm’s classified contracts eligibility & required for work on a classified contract at the Secret or Top Secret Levels
- Issued by the Defense Counterintelligence and Security Agency (DCSA)
  - See www.dcsa.mil
- Required to obtain personnel clearances
- A firm’s Facility Security Officer (FSO) ensures adherence to contract security requirements and the National Industrial Security Program Operating Manual (NISPOM)
- Industrial Security Division (DS/IS/IND) sponsors uncleared firms for facility clearances
  - Only with a bona fide procurement need
  - IND is the only DOS office authorized to sponsor uncleared firms
DS/IS/IND Personnel Security Clearance (PCL)

- Contract Security Classification Specification (DD Form 254)
  - Required in any procurement with cleared personnel performing any services
  - Describes facility/personnel clearances for performance
  - Generated by National Industrial Security System (NISS) within the DCSA portal for inclusion in RFPs, contracts, and subcontracts

- DCSA’s Consolidated Adjudication Services (DOD CAS)

- Visitor Authorization Requests (VARs)

DS_IND_OBOTeam@state.gov

For security-related questions, including facility and personnel security clearance requirements for performance on OBO contracts
Construction Security
Program Challenges & Drivers
Construction Security Basics

LAYERS OF SECURITY
- Physical Security
- Technical Security
- Operational Security

UNIQUE SECURITY REQUIREMENTS
- Cleared labor
- Material security
  - Secure procurement
  - Secure shipping
  - Secure storage

SECURE PROCUREMENT
SECURE SHIPMENT
SECURE STORAGE & HANDLING
CONSOLIDATED RECEIVING POINT (CRP)
FY 2023 & FY 2024 CAPITAL PROGRAM
Capital Security Cost Sharing Program
Planned Awards

FY 2023 & FY 2024 CAPITAL PROGRAM
Capital Security Construction Program FY23 - FY24

FY 2023

- Adana, Turkey: New Consulate
- Curacao, The Netherlands: New Consulate
- Hanoi, Vietnam: New Embassy
- Medan, Indonesia: New Consulate
- Paris, France: Marine Security Guard Residence

FY 2024

- Bangui, Central African Republic: New Embassy & Housing
- Colombo, Sri Lanka: Chancery Densification
- Port of Spain, Trinidad & Tobago: New Embassy
- Praia, Cabo Verde: New Embassy
FY 2023 New U.S. Consulate General Curacao

- New office building and campus upgrades on an existing site
- 9,500 gross square meters
- Anticipated Design/Build Bridging RFP: February 2023
- Design Architect: Kieran Timberlake
FY 2023 New U.S. Consulate General Medan

- 6-acre site
- 3,500 gross square meters
- Anticipated Design/Build Bridging RFP: May 2023
- Design Architect: Richärd|Kennedy Architects
FY 2024 New U.S. Embassy Bangui

- 14-acre site
- 33,500 gross square meters
- Anticipated Design/Build Bridging RFP: November 2023
- Design Architect: Marlon Blackwell Architects
FY 2024 **U. S. Embassy Colombo Chancery Densification**

- Densification of existing chancery office building
- Anticipated Design/Build Bridging RFP: March 2024
- Design Architect: Ennead Architects
FY 2024 New U.S. Embassy Port of Spain

- 11-acre site
- Anticipated Design/Build Bridging RFP: January 2024
- Design Architect: Mark Cavagnero Associates
- Opportunity for collocation with Allied Partners
FY 2024 New U.S. Embassy Praia

- 11-acre site
- 14,302 gross square meters
- Anticipated Design/Build Bridging RFP: January 2024
- Design Architect: Studio Ma
3.2

Maintenance Cost Sharing Program
Planned Awards
FY 2023 & FY 2024 Capital Program
Maintenance Cost Sharing Program FY 2023–FY 2024

FY 2023
- Guangzhou, China: Façade and Roof Replacement
- Jerusalem: New Annex
- Tel Aviv, Israel: Embassy Branch Office Lease Fit-Out
- On-going Energy Program Initiatives

FY 2024
- Durban: Lease Fit Out
- Honiara, Solomon Islands: Embassy Liaison Office Lease Fit-Out
- Kampala: Renovation and Expansion
- Malé, Maldives: New Embassy Lease Fit-Out
- Marseille, France: Consulate Lease Fit-Out
- Thessaloniki, Greece: Rehabilitation
- On-going Energy Program Initiatives

Design Architect: Marlon Blackwell Architects
- Façade replacement with complete removal of façade and roof systems
- Anticipated Design/Build Bridging RFP: April 2023
- Design Architect: Richärd|Kennedy Architects
FY 2023 U.S. Embassy Jerusalem Arnona Annex II

- New annex building on existing site
- Anticipated design/build RFP: February 2024
FY 2023 Embassy Branch Office Tel Aviv Lease Fit-Out

- Lease fit-out for State Tenants
- Anticipated Design/Build RFP: September 2023
FY 2024 U.S. Embassy Honiara Lease Fit-Out

- Lease fit-out of 650SM
FY 2024 U.S. Embassy Kampala Renovation & Expansion

- Updates to existing office space with expansion
- Anticipated Design/Build Bridging RFP: November 2023
- Design Architect: Krueck Sexton Partners
FY 2024 U.S. Consulate General Durban Lease Fit-Out

- Multi-level lease fit-out of 2,580+SM
- Anticipated Design/Build Bridging RFP: March 2023
- Design Architect: Marlon Blackwell Architects
FY 2024 U.S. Consulate General Thessaloniki Major Rehabilitation

- Security, fire-life safety, and interior upgrades
- Anticipated Design/Build Bridging RFP: FY 2024
- Design Architect: Annum Architects
FY 2023 U.S Embassy Male Lease Fit-Out

- Lease fit-out for new post in the Maldives
- 1,200 Usable Square Meters
FY 2024 U.S. Consulate General Marseille Lease Fit-Out

- Lease fit-out with significant physical & environmental updates in modern, multi-story office building.
- Anticipated Design/Build Bridging RFP: June 2024
- Design Architect: Studio Ma
Acquisitions Management & the Contracting Process

Office of the Procurement Executive / Facilities Design & Construction Division
Office of the Procurement Executive

EXECUTIVE MISSION
To provide management direction and leadership over Department-wide acquisition and federal assistance policies and the full range of acquisitions and federal assistance management services.

EXECUTIVE VISION
OPE delivers flexible solutions through a responsive and knowledgeable workforce that elevates the Acquisition Experience.
Project Acquisition

Office of Acquisitions Management
(A/OPE/AQM)

- Manages, plans, and directs Department’s acquisition programs
- Conducts contract operations in support of activities

Facility, Design, and Construction Division
(A/OPE/AQM/FDCD)

- Establishes acquisition agreements for logistics requirements abroad and OBO requirements with the private and public sectors
Current Project Delivery Methods

Context, complexity, construction environment, and urgency are evaluated in deciding a delivery method:

- Design-Build with Bridging Documents
- Design-Bid-Build
- Design-Build
- Construction Manager as Constructor (CMc)
Construction Contractor Selection & Awards

Contractor Selection
On-going goal of expanding contractor pool
- Recruitment, prequalification, and award
- Contractors committed to best practices with verifiable records of consistent success

Contract Award
- Best Value
  ▪ Past performance
  ▪ Project Management
  ▪ Team Capabilities
- Lowest Price Technically Acceptable
IDIQ Opportunities

A/E Engineer Design Services 2024
A/E Environmental Engineering Support Services 2024
Special Projects Coordination A/E Services 2023
Asbestos Abatement 2024
BAS Repairs & Installs 2025
Building Automation Systems (BAS) Technical Support 2024
China Crystal & Glassware 2023
Cleared American Guards (GAGs) & Construction Surveillance Technicians (CST) 2026
Commissioning Services 2024
Construction Management Support 2023
Construction Scheduling/Claims Consultants 2024
Containerized Housing Units (CHU) 2022
Cost Estimating Services 2022
D/B Environmental Remediation 2022
Domestic A/E Design Services 2022
Seismic 2024
Environmental Engineering 2021
Facilities Management Support Services (FMSS) 2024
Fire Alarm Maintenance 2020
Fire Extinguishers & Replacement Agent 2022
Fire Protection/Engineering 2026
IMAP 2025
Operations & Maintenance 2021
Pest Management 2026
Power Systems Work 2023
Professional Elevator Services 2023
Professional IT Staffing 2024
Professional Training Services 2025
Real Estate Services 2022
Residential Generators 2023
Roofing A/E Services 2024
Roofing D/B Services 2024
Shielding 2026
System Furniture 2024
Technical Security Systems Install 2021
Telecommunications 2026
TPC Engineering Services 2026
Value Engineering 2022
Worldwide Forced Entry-Bullet Resistant 2024
Worldwide General Construction 2025
Rapid Engineering and Construction Program

Rapid Engineering and Construction (REC) Pilot Program Highlights

- 8(a) set-aside ceiling
- Construction and mission support services during critical situations.
- Flexibility to award set-aside contract actions through different procurement vehicles:
  - Stand-alone contracts (C Type)
  - Basic Ordering Agreements (BOA)
  - Multiple Award Construction Contract (MACC)
  - Indefinite Delivery/ Indefinite Quantity (ID/IQ)
Rapid Engineering and Construction Program

FY 2023
- Gaborone, Botswana: Fire Systems Replacement and HVAC Upgrade (REC)

Design Architect: Marlon Blackwell Architects
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